

Accomplishments, Initiatives and Improvements

Throughout FY 2007, the Department focused on the policies, practices and processes of its enforcement and collection efforts, and concentrated on internal processes across the agency. A complete reorganization also was implemented, which resulted in the reallocation of employees to operational areas with the greatest need, and a reduction in middle management. Divisions were reduced from 14 to seven, in which areas of expertise were consolidated into these new divisional “centers of excellence.” With new legislation going into effect Jan. 1, 2007, coupled with new and improved internal and external processes, the Department was able to provide *Quality That Counts* in the following key areas.

Enforcement and collections – Senate Enrolled Act (SEA) 362 went into effect Jan. 1, 2007, bringing with it a number of opportunities to more efficiently and effectively enforce tax filings and payments:

- **Tax protests and appeals** – As of Jan. 1, 2007, taxpayers in Indiana have only 45 days to protest a tax assessment, and only 90 days, thereafter, to file a case in tax court. This reduces the overall time to appeal a tax billing to one year, compared with the previous timeframe, which allowed the tax appeal to continue on for almost two years before collection efforts could begin.
- **Trust taxes** – Collection of trust taxes (sales and withholding) has been a primary focus for the Department over the past year. Using a range of tools available to the Department under Indiana law, the Department has collected more than \$100 million in delinquent trust taxes.
- **Garnishments and levies** – These mechanisms have long been available for the Department’s use in collecting from delinquent tax payers. In FY 2007, the Department began to use these methods as a standard collection practice, when all other methods have failed. To date, the Department has collected more than \$12 million from levies and garnishments alone.
- **Registered retail merchant certificate (RRMC) renewal** – SEA 362 requires that all businesses in Indiana that practice retail sales renew their RRMCs every two years. (Prior to the passage of SEA 362, RRMCs were good for the life of the business.) However, in addition to required renewal every two years, businesses also must be current on their sales-tax filings and payments to be able to renew their RRMCs. Letters to revoke RRMCs were issued after the close of FY 2007, but early results are promising, with more than \$5 million collected to date in FY 2008.
- **Regular billings** – Part of the success the Department has experienced in collecting more than \$100 million in trust taxes in FY 2007 is due to a new initiative to issue monthly billings to businesses that fall delinquent in their tax filings and payments. This monthly issuance is one of the Department’s efforts to begin collections as early as possible, and to help businesses from becoming seriously delinquent.
- **Best information available billings** – In the fall of FY 2007, the Department began issuing bills to businesses that were on record with the state, but had not filed trust taxes regularly. Using industry averages for each business type, or where available actual historical experience, estimated bills were issued to bill more than 20,000 businesses throughout Indiana. As a result, more than \$9 million was collected in FY 2007 from this initiative alone.

Processes and services – Having the right information to make the best decisions is crucial to achieving efficient and effective operations. Therefore, the Department not only realigned its operations to ensure the right people were in the right jobs in FY 2007, but it also realigned processes (and continues to do so) to ensure it has the best information readily available to make quick and quality decisions, and to provide improved services that deliver results. The following is a list of those initiatives:

- **Case management** – The Department has consolidated taxpayer issues into individual files within each taxpayer account. This new approach enables the Department to have better, more complete information about taxpayers’ accounts, filings, etc. It also helps to reduce errors, redundancy and time to resolve taxpayer questions.

Right People in the Right Jobs

Customer Focus

Efficiency

Right People in the Right Jobs

- **Taxpayer feedback** – Using formal survey research, the Department gathered feedback from more than 2,000 taxpayers in FY 2007. That information has been used to help determine the satisfaction level with key electronic tools, and to solicit suggestions from taxpayers on how to improve existing online programs.
- **INtax** – An expansion of online filing and payment services for business taxpayers via the Department's INtax Web tool has resulted in a significant increase in business-tax collections through this vehicle: \$663 million (FY 2007) versus \$270 million (FY 2006). In FY 2007, the Department added renewal of the RRMCS to the INtax tool, as well as the payment of fuel tax and printing of tax-filing coupons. Additional services are planned for the near future.
- **I-File and electronic filing** – Using taxpayer feedback gathered from more than 1,500 taxpayers about the state's I-File program, improvements to the online tool were made for the FY 2007 filing season. In addition, the Department focused its marketing efforts on 2-D barcode filers, based on feedback from more than 500 individual taxpayers, to deliver an increase in FY 2007 I-Filing of 16 percent. Overall, electronic filing with the Department has increased 35 percent over the past two years, and accounted for more than 50 percent of the state's overall individual filings at the end of the FY 2007.
- **Customer service** -- The Department continues to provide training customized for each division's needs in responding to and resolving taxpayer concerns timely and completely. The training initiatives are receiving positive reviews from the employees, who are now starting to see themselves in a more confident light – and taxpayer feedback indicates that confidence is having a positive impact. Additionally, customer-contact representative calls and interactions are routinely monitored and scored according to new customer-service standards. These evaluations are used to help our representatives become more effective in providing respectful, timely and quality assistance.